

2012 -- S 2433

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO COMMERCIAL LAW - GENERAL REGULATORY PROVISIONS -
UNFAIR SALES PRACTICES - GIFT CARDS

Introduced By: Senators Picard, Lynch, Walaska, Lombardo, and Cote

Date Introduced: February 16, 2012

Referred To: Senate Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 6-13-12 of the General Laws in Chapter 6-13 entitled "Unfair Sales
2 Practices" is hereby amended to read as follows:
3 **6-13-12. Sales of gift certificates.** -- "Gift certificate" means a record evidencing a
4 promise, made for monetary consideration, by the seller or issuer for the record that goods or
5 services will be provided to the owner of the record to the value shown in the record and includes,
6 but is not limited to, a record that contains a microprocessor chip, magnetic strip or other means
7 of storage of information that is pre-funded and for which the value is decremented upon each
8 use, a gift card, an electronic gift card, stored-value card or certificate, a store card, prepaid long
9 distance telephone service that is activated by a prepaid card that requires dialing an access
10 number or an access code for each call in addition to dialing the phone number to which the user
11 of the prepaid card seeks to connect, or a similar record or card. Any person, firm, or corporation
12 that sells gift certificates for any product or merchandise sold by the person, firm, or corporation,
13 shall be required to record the sales and keep an accurate and complete record of each gift
14 certificate sold. The record shall include the date of sale, the full value of the certificate, the
15 identification number assigned by the retailer to the certificate, and the state in which the sale of
16 the certificate took place. The retailer shall further be required to give to the purchaser of gift
17 certificates exceeding fifty dollars (\$50.00) a written and numbered receipt evidencing the sale of
18 the certificate. It shall be unlawful for any person, firm, or corporation of any kind to charge any

1 surcharge or additional monthly or annual service or maintenance fees on gift certificates or to
2 limit the time for the redemption of a gift certificate or to place an expiration date upon the gift
3 certificate. No gift certificate or any agreement with respect to such gift certificate may contain
4 language suggesting that an expiration date may apply to the gift certificate. Any person, firm, or
5 corporation that shall violate the provisions of this section shall be punished by a fine of not more
6 than two hundred dollars (\$200). Due to the unlimited redemption period, the division of taxation
7 shall not escheat the funds paid for those unredeemed gift certificates. Any unused portion of a
8 redeemed gift certificate shall be afforded to the consumer by reissuing the gift certificate for the
9 unused amount or providing cash where the balance due the consumer is less than one dollar
10 (\$1.00). This section shall not apply to the following:

11 (a) Gift certificates that are distributed to a consumer pursuant to an awards, loyalty or
12 promotional program without any money or other thing of value being given in exchange for the
13 gift certificate by the consumer. Any restrictions or limitations which such gift certificates may be
14 subject to must be disclosed to the consumer, in writing, at the time the gift certificates are
15 distributed to the consumer.

16 (b) Prepaid wireless telephone service or prepaid wireless telephone card. "Prepaid
17 wireless telephone service" means wireless telephone service that is activated in advance by
18 payment for a finite dollar amount of service or for a finite set of minutes that terminate either
19 upon use by a customer and delivery by the wireless provider of an agreed-upon amount of
20 service corresponding to the total dollar amount paid in advance or within a certain period of time
21 following the initial purchase or activation, unless additional payments are made.

22 (c) Gift cards or prepaid or store value cards that are issued by state-chartered financial
23 institutions and credit unions or that are issued by third-party issuers usable at multiple,
24 unaffiliated merchants or service providers, provided that said financial institutions, credit unions
25 or third-party issuers comply with the guidelines on disclosure and marketing as published by the
26 office of the comptroller of the currency.

27 (d) Gift cards or gift certificates that are given to a non-profit corporation or association,
28 for the purpose of fundraising, provided an expiration date is clearly stated on the card or
29 certificate in bold print and the following words are displayed on the certificate: "This gift
30 certificate has been given to a charity for fundraising purposes."

31 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO COMMERCIAL LAW - GENERAL REGULATORY PROVISIONS -
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1 This act would exempt gift cards or gift certificates that are given to a non-profit
2 corporation or association, for fundraising, from the prohibition against expiration dates, provided
3 an expiration date is clearly stated on the card or certificate in bold print.

4 This act would take effect upon passage.

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